

Case Studies

Appendix B
Policy Documents and
Case Studies

The New

Buzz

In Business

Hughes Electronics, a subsidiary of the General Motors Corporation, is an electronics and advanced technologies firm with approximately 30,000 employees. In 1993, they tested the concept of telecommuting in one department to monitor the effects of telecommuting on employee performance, departmental operations and compliance with air quality regulations. The program was limited to allow selected employees to work from home one day a week.

"Hughes is always looking for innovative ways to improve employee morale, increase productivity and reduce employee commute travel," reports Hughes Corporate Manager, Carol Gomez.

"Telecommuting is one of the solutions that addresses all of these areas."

Who participated in the pilot study?

Sixty people participated in the study including 10 supervisors and 50 employees. Most participants had worked for Hughes an average of nine years and had been supervised by their current managers for an average of two years.

Because the work undertaken by telecommuters in the pilot program included writing, data management and computer programming, it was considered a necessity that each telecommuter own a home computer, modem, printer, software, answering machine and, in some cases, an additional telephone line. Employees purchased much of the necessary equipment after being selected to telecommute.

Because Hughes has some unique security concerns, special communications systems had to be installed in each of the telecommuter's home computers. And finally, prior to implementing the program, Hughes found it necessary to physically test all equipment and technologies to ensure compatibility and productivity.

Manager and Employee Concerns

As part of the program, both telecommuters and their managers were surveyed twice during the pilot study. The initial survey exposed some concerns from both managers and telecommuters. Many managers believed that telecommuting would help improve employee morale. However, one-third of the managers expressed concern about their ability to delegate work in a telecommuting arrangement and about the reaction of non-telecommuters once the program was implemented. From the employees' perspective, nearly half were concerned about maintaining ties with co-workers after the program was in place.

Program Statistics

- Program established: 1993
- Number of telecommuters: 60
- Weekly commute time reduced: 2 hours per employee

The Results

After the pilot program, the second survey indicated that many of the initial concerns were unfounded. In fact, both employees and managers reported a positive effect on telecommuters' performance and attitudes. All managers reported that morale had improved and nearly half of the managers reported that productivity had increased during the pilot program. Neither group found that the program created problems between the telecommuters and their managers, or between the telecommuters and their non-telecommuting co-workers. One telecommuter cited the flexibility that telecommuting offers as the most important program benefit.



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

CASE STUDY: HUGHES ELECTRONICS

"The program allowed me to participate more in my child's life and has reduced my stress level immensely."

Other telecommuters noted that their reduction in commute time was a much appreciated program benefit. Employees reported an average reduced drive of about 60 miles per week, equating to approximately two hours of driving per participant. For those employees impacted by the 1994 Northridge earthquake, the elimination of the commute stands as the single most dramatic example of the benefits to telecommuting.

"Because I live in the Santa Clarita Valley, my commute route was greatly impacted by the earthquake damage. Management allowed me to increase my telecommuting days per week from one to two days, and adjust my commute travel hours for the remaining days. The concern for my commute and flexibility demonstrated by management has been the strongest indication of genuine concern for my morale since I began working at Hughes 10 years ago."

The Future

All of the telecommuters and the vast majority of managers indicated that they would recommend the program to others. In fact, many participants strongly recommended that the program be expanded to permit telecommuting more than one day per week. As one employee explains, "Telecommuting has been an excellent program. I am glad to have been a part of the pilot team, and I hope that the program will continue and expand to other groups at Hughes."

For more information on telecommuting, contact the Southern California Telecommuting Partnership at:

1-800-6INFOHWY (800-646-3649)

Or visit us on the Internet at <http://www.sctp.org>

The New

BizZ

In Business

Headquartered in downtown Los Angeles, First Interstate Bank is a large financial institution with 3,500 employees in the Los Angeles area alone. In 1991, the bank developed an extensive home-based work program to address employees' needs for flexibility and management's desire for an increase in worker productivity.

"Many employees struggle to balance home and work responsibilities," reports First Interstate Bank Vice President Tamara Sharp. "The traditional world of banking has been changing to meet employees' needs for greater flexibility in the workplace."

Who can telecommute?

"About one-fifth of bank employees are in jobs that allow for telecommuting," according to Sharp. "Positions such as project managers, attorneys and analysts are our best candidates." Sharp further explains that employees who have regular supervisory responsibilities or are involved in a customer-service function are not eligible for the telecommuting program.

First Interstate also requires that potential telecommuters be employed with the bank for at least one year before entering the program. This requirement not only allows the employee to become familiar with corporate policies and procedures, but also allows management to evaluate how effectively an employee works and whether he or she is a "self-starter." Appropriate telecommuting candidates are high achievers and have job duties that are conducive to working away from the office.

FIRST INTERSTATE BANK FAST FACTS

- Program established: 1991
- Eligible telecommuters: 700
- Stated benefits: flexibility and increased productivity

How do telecommuters get started?

Employees who meet the qualifications for the program must submit a "Flexible Scheduling Request Form and Equipment Checklist" to their supervisor. The form provides the supervisor with a sense of why the employee is requesting to telecommute, and whether or not the employee can effectively work from home. The checklist also assesses what equipment an employee must have to perform his or her job. The supervisor then reviews the request and determines eligibility. Employees selected for telecommuting must review and sign a Telecommuter Agreement, which outlines the program's policies and procedures.

"Although we offer telecommuting to all qualified employees, the program is a privilege and not an entitlement," adds Sharp. "The program is continually monitored to ensure the success of the employee and management's goals."

Telecommuters arrange their work schedule and work location with their supervisors. In certain cases, bank employees may be allowed to work from a telecenter. However, most telecommuters choose to work from a home office. First Interstate provides laptop computers for some telecommuters and reimburses all business-related telephone calls.

CASE STUDY: FIRST INTERSTATE BANK

What has the program achieved?

Employees and supervisors report a positive experience with telecommuting. Supervisors cite that telecommuters seem to be working more hours and taking less time off. Employees have cited benefits such as fewer distractions and convenience in setting up child-care arrangements.

Pam Sheppard-Knapp, assistant vice president responsible for training leads, found that she needed greater flexibility after having a child. "Telecommuting allowed me the opportunity to manage my child-care situation while continuing to be effective at work. I feel that telecommuting not only addressed my child-care scheduling needs, but it also helped me to be more productive in performing my daily responsibilities."

Sheppard-Knapp also found that her privacy needs are better filled through telecommuting, noting that handling confidential issues from her home office is often easier than trying to address sensitive subject matter in an open-office environment.

"First Interstate's openness to provide greater flexibility has resulted in a win-win situation where employees have the opportunity to coordinate work schedules that are more conducive to their personal lives," reports Sharp. "The bank, in return, gets employees who are more productive."

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SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

The New

Buzz

In Business

Health Net is the second largest Health Maintenance Organization (HMO) in California. They have been in business for 12 years and employ approximately 1,700 employees. In the beginning of 1993, Jim Wilk, senior vice president of human resources and administration, was wrestling with the question of where to house their expanding work force when a letter arrived from Los Angeles County Supervisor Michael Antonovich introducing the Antelope Valley Telebusiness Center and its generous "first year free" incentive program.

Telecommuting: Then to Now

Because working from a telecenter was a new idea for the company, Health Net chose two departments to head a telecommuting pilot project: customer service and claims processing.

Initially, Health Net reserved 5 work stations at the Center with 10 telecommuters rotating on different days, sharing desks at both the Center and the regular office. To bridge the communications gap between the facilities, Health Net elected to install their own equipment, enabling telecommuters to be "on-line" with the corporate office. Within only a few months, the telecommuting program proved successful and management decided to expand its scope to include 10 workstations and 4 departments including: claims processing, customer service, correspondence and legal.

Today, Health Net utilizes 36 workstations at the Antelope Valley Telebusiness Center and has added 10 home-based telecommuters to the program. Although many of the center-based telecommuters now work full-time from the Center and communicate with the office via telephone and electronic mail, they still drive to the corporate office for regular staff meetings and ongoing training. Health Net's home-based telecommuters work from home on a variable work schedule that is dependent on their work load.

HEALTH NET HIGHLIGHTS

- Program established: 1993
- Number of telecenter-based telecommuters: 36
- Number of home-based telecommuters: 10
- Annual cost savings: 10%

Key Components to Health Net's Program

There are several key components to Health Net's successful implementation and operation of its telecommuting program. First, because telecommuting supports Health Net's corporate business strategy, the program received tremendous support from CEO Roger Greaves. Second, those managers working with the pilot group of telecommuters lived in the Antelope Valley themselves and understood the impact of a long commute. And finally, several managers took part in the program as telecommuters, at least on an occasional basis. This gave supervisors the perspective they needed to better manage telecommuters.



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

CASE STUDY: HEALTH NET

Bottom-Line Benefits

Health Net has realized definite bottom-line benefits through their telecommuting program. Most dramatic is the marked reduction in overhead for telecommuters when compared to costs associated with the employees who are based in the corporate office. In addition, the company has documented a 10 percent cost savings due to an increase in productivity and improved employee retention.

Using telecommuting as a standard tool for disaster preparedness has also proven to be a bottom-line benefit. After the 1994 Northridge earthquake, Health Net's corporate building was uninhabitable for several days. However, losses in time and productivity were kept at a minimum because the crucial customer service lines, maintained at the Antelope Valley Telebusiness Center, were still in full operation.

From both bottom-line and logistical perspectives, the telecommuting program at Health Net continues to be a model for other companies across the country.

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The New

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In Business

The County of Los Angeles employs over 80,000 people and is not only one of the largest organizations using telecommuting in the United States, but also is among the largest government agencies in the entire world. The County currently has more than 4,000 telecommuters and offers the program to an additional 25,000 employees who are eligible for the program.

Telecommuting was first offered to County employees in 1989 as a means of reducing operating costs, increasing productivity and addressing the severe traffic and air quality problems created by automobile travel in Southern California.

"Telecommuting offers many benefits," says Los Angeles County Supervisor Michael Antonovich.

These benefits include space savings, diminished traffic congestion, improved air quality, increased productivity and greater opportunities for the physically challenged."

How does the program work?

Since its inception, the telecommuting program has evolved into three arrangements: 1) Home-based telecommuting; 2) Telebusiness Centers and Telework Offices; and 3) Emergency/Short-Term Telecommuting.

Regardless of the specific arrangement, all employees interested in telecommuting must first ask their supervisor for permission to join the program. Second, employees submit a request form to the designated telecommuting manager in their department. The telecommuting manager coordinates training with the County's Telecommuting Program Director. In cooperation with their manager and the Telecommuting Program Director, employees can select the appropriate work location and arrangement.

Reimbursement for telecommuting expenses and equipment needs are addressed at the departmental level on a case-by-case basis. Most departments reimburse telephone charges and several departments provide computer equipment for telecommuting.

COUNTY OF LOS ANGELES HIGHLIGHTS

- Program established: 1989
- Number of telecommuters: 4,050
- Annual cost savings: \$17.7 million

Selected telecommuting departments

Assessor's Office

The Assessor's Office originally became involved in the County's telecommuting program by allowing five clerical employees to work from home three days a week. Although the manual coding done by these telecommuters did not require a computer, it did require office materials and a quiet working environment.

The results in the first month were so dramatic that the department immediately added 15 employees to the program. Management found that telecommuters were producing at a level well-beyond workers at the office. In fact, after tracking productivity over time, management has documented a 42 percent increase in productivity.

CASE STUDY: COUNTY OF LOS ANGELES

Children's Services, Probation Department and Public Services

Children's Services (1,023 employees), Probation Department (286 employees) and Public Services (782 employees) have a significant number of employees who telecommute each day. Many of the employees work in the field and driving back to the office after visiting a client is not an effective use of time. To reduce travel time and increase productivity, field staff now complete their paper work from home and submit their work via computer modem. These employees report that they feel less stressed and more productive.

Chief Administrative Office

Managers in the Chief Administrative Office are often assigned special projects that require immediate attention and extensive work. To help meet deadlines, managers are allowed to work from home as needed. This option has helped managers balance special projects with their ongoing job responsibilities.

Telework Offices

The County of Los Angeles was the first local agency to establish a partnership with 14 cities to identify and use available office space closer to employees' homes. Evelyn Gutierrez was the first Los Angeles County Senior Manager to work near her home at a San Dimas Metropolitan Water District office. Every other Friday, Gutierrez eliminates a two-hour drive to work by using this alternative office, which is only two miles away from her home. Over 29 County employees now work out of city offices near their homes, at no additional cost to the County or the employee.



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

CASE STUDY:
**COUNTY OF
LOS ANGELES**

What are the savings?

Faced with continuing budget cuts and a three year hiring freeze, the County has used telecommuting as an effective tool to reduce costs and in many cases, increase employee productivity. According to a study conducted by the Chief Administrative Office, the County is saving nearly \$16.6 million annually from increased telecommuter productivity. In addition, telecommuters are saving the County \$1 million annually in reduced sick leave as telecommuting reduces stress and the illnesses caused by stress.

From a community perspective, telecommuters have helped the environment by eliminating 144,000 hours of travel time on overcrowded freeways, saving 288,000 gallons of gasoline and decreasing 73 tons of pollutants each year.

Employees have also enjoyed the cost savings of telecommuting. The County estimates that individual telecommuters are saving \$400 each year through lower automobile expenses.

Gutierrez, now director of telecommuting programs, reports, "Telecommuting options have provided our employees with effective choices which benefit the employee, employer and the community."

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SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

The New

Buzz

In Business

Nestled in the foothills of Rancho Cucamonga is Chaffey College, a pioneer in education since its establishment by George and William Chaffey in March 1883. Presently, with a student population of approximately 14,000, this two-year institution continues to set an example for other institutions of higher education across the country.

In 1991, Chaffey College initiated an innovative telecommuting program to primarily serve college professors who might otherwise not be available to work at the College. "We've only just begun to touch the tip of the iceberg with regards to the implementation and integration of telecommuting and telecommunications," says Telecommuting Coordinator David Ramirez.

Why is telecommuting a good solution?

Typically, college instructors hold classes two or three days a week. At Chaffey College, instructors are given the opportunity to telecommute on the required "office-hour" days so that they are able to prepare lesson plans, grade exams and review the latest research in their field, in the location where they feel most comfortable — their home. Because office space is limited and often shared by two people, working from home several days a week also helps to alleviate distractions and interruptions. Instructors who are telecommuting and sharing office space can rotate their schedules so that student conferences can be held privately, providing a better environment to discuss class-related projects or issues.

How does the program work?

Telecommuting is a decentralized management program that enables each department to determine the logistics of the program's implementation. However, in every department, the telecommuting arrangement may be terminated by the instructor or the College at any time.

College instructors are responsible for the purchase and maintenance of telecommuting equipment. They are also responsible for maintaining a safe work space in their home.

Finally, the program mandates that telecommuting does not relieve instructors of the duties, obligations and responsibilities each has to the College and its students. Notably, this includes the requirement that instructors participate in on-campus committees and student-related activities. The idea is that telecommuting is not a substitute for valuable face-to-face time with campus administrators or students.

CHAFFEY COLLEGE FAST FACTS

- ❑ Program established: 1991
- ❑ Number of telecommuters: 51
- ❑ 5 year projection: 154 telecommuters
- ❑ Primary benefits: reduced real estate needs, fewer distractions



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

CASE STUDY: CHAFFEY COLLEGE

The New Frontier

Chaffey College has only begun to explore the area of telecommuting and advanced telecommunications. On the horizon are concepts such as "distance education" and "virtual classrooms." In such programs, instructors and students are linked by two-way video conferencing and audio transmission across the country or across the world. Chaffey College is a leader in the implementation and integration of these and other alternative work space programs and continues to set the pace for the next millennium.

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In Business

California State University, Northridge (CSUN) is located at the epicenter of the 1994 Northridge earthquake. As a result of the quake, the University experienced extensive damage. Classroom and parking facilities, as well as the administrative offices were inaccessible.

Manager of Transportation Programs Astrid Logan explains, "Suddenly, we had to fit a lot of people into a small amount of space." For example, the Admissions and Records Department consisting of 100 employees had to be moved to an area of only 30 by 40 square feet.

Another issue was commute time to CSUN. Many employees living in the damaged Northridge area relocated to stay with friends and relatives in outlying areas, which resulted in unusually long commutes. In addition, employees living outside the immediate Northridge area were severely impacted by the damaged transportation infrastructure. For example, employees living in the Santa Clarita Valley had four-hour, one-way commutes.

In response to this emergency, the University implemented a combined telecommuting, split shift and flexible work-schedule program in order to get the school up and running for the Spring Semester that was about to begin.

Emergency Response Program

The University put together an emergency response program in one week. Various departments discussed the emergency plan, including Human Resources, which reviewed the plan for liability issues and potential conflict with union contracts. A telecommuting policy was drawn up and distributed to the various campus departments. A letter describing the emergency response program was distributed to faculty and staff within two weeks of the quake.

Equipment and Services

Many employees took their school computers home. Those who already had computers at home purchased modems. Several departments purchased laptop computers, which allowed employees to work from other locations. Regardless of how employees obtained their equipment, all telecommuters had to be in communication with the University.

CSUN QUICK FACTS

- Emergency program established: 1994
- Primary benefits: rapid recovery, despite extensive quake damage
- Interesting fact: program has expanded due to University President's endorsements

Telecommuting Before and After the Northridge Earthquake

Prior to the earthquake, the University had an informal telecommuting program. A small number of employees, mainly faculty, were participating.

After the earthquake, decision-makers who had mainly seen the telecommuting program as a means of getting over the hurdle of the emergency phase, agreed to maintain the telecommuting program. And now, as a result of the quake experience, formal telecommuting policies and procedures are in the process of being adopted. CSUN President Blenda Wilson formally encouraged telecommuting among faculty and staff after the emergency was over. "The school wants to promote an image that it is responsive to employees' needs."



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

Today, employees are asking to telecommute not just for emergencies, but also for other reasons such as maternity leave. "It's a win-win situation because the University can retain the expertise that these employees offer," states Logan.

In one example, an employee who began telecommuting during the emergency, requested to work from home after a subsequent surgery. No one else was able to perform her duties, so her absence from work would have been problematic for the school. CSUN moved her computer, printer and facsimile machine to her home, and set up her work phone so that incoming calls to her school office would be directly transferred to her home. This design was seamless and callers had no idea she was working from home.

Currently, the University is in the process of switching to fiber-optic phone lines in order to improve electronic mail capabilities and provide extensive Internet access. This will also improve telecommunications from home. As departments plan their equipment needs, they place careful consideration on buying laptop computers in order to allow for more flexibility (i.e. the option of telecommuting) and to be prepared in the event of another emergency.

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The New

Buzz

In Business

"Advances in call distribution equipment will revolutionize the reservations and phone sales industry. With such new technology, calls can be directed to any location, which allows for the expansion of telecommuting," according to Mary Ann Stewart, senior employee transportation coordinator for United Airlines. Actually, the revolution at United Airlines began a few years ago.

In 1992, United Airlines' Information Services Department (ISD) implemented a telecommuting program to meet trip-reduction standards set by the South Coast Air Quality Management District (SCAQMD). Without any costs to the company, the ISD began a home-based telecommuting program for their Los Angeles employees.

How does the program work?

Prior to beginning the program, employees must complete an evaluation form to identify any potential obstacles to working from home. After receiving supervisor approval, the employee and the supervisor sign a formal telecommuting agreement and discuss the guidelines of the program including performance standards. Both the employee and the supervisor reserve the right to terminate the telecommuting arrangement at any time.

To facilitate communication with their supervisors, telecommuters submit a written work plan the day before telecommuting. Telecommuters also submit a list of accomplishments the following day. Managers use these work plans as tools to evaluate employee organization and productivity on annual performance reviews.

Contrary to initial expectations, telecommuting does not impose any added costs for the company. Telecommuters designate a separate home office area that meets company safety standards and provide all the equipment necessary to telecommute. The company does not reimburse telecommuting expenses, however employees report that the savings in time, car depreciation and fuel costs far exceed the costs of telecommuting.

Program Statistics

- Program established: 1992
- Number of telecommuters: 185
- Increase in productivity: 20-30%

How has the program expanded?

Currently, 10 percent of ISD employees telecommute at least one day a week. Recently, United Airlines established a telework center in Moreno Valley, California, from which 126 reservations agents work full-time.

Building upon the success of the ISD's program, United Airlines has expanded telecommuting to include their account executives who interact with travel agents to help solve seat assignment dilemmas, clarify pricing questions and explain contracts. In fact, the account executives have now moved into "virtual offices." Outfitted with laptop computers, cellular telephones and other equipment, they no longer need to work from a traditional office, making them more available to serve customer needs.

CASE STUDY: UNITED AIRLINES

This innovative strategy has placed United Airlines ahead of the competition in the eyes of the account executive and the travel agent. Account executives express an appreciation for the company's support of their efforts, and customers perceive that the account executives are "in the neighborhood" rather than at the airport or another distant location.

What are the bottom-line benefits?

During the first year of the program, 1992-93, telecommuters showed a 20 - 30 percent increase in productivity. The Moreno Valley telework center has reduced over 4,000 employee trip miles per day, not only meeting air pollution reduction goals, but also enhancing the company's pro-environment image. With the establishment of the telework center, United Airlines has been able to tap a new work force. Also, supervisors report that telework center employees seem happier and more productive, which leads to better customer service.

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SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

The New

Buzz

In Business

Unisys Corporation is an international information management company that offers information services and technological expertise to the private and public sector. One of the company's west coast facilities is in Mission Viejo, California where approximately 1,000 of the company's 40,000 employees are based.

In 1991, Unisys Corporation's Mission Viejo facility began a telecommuting program in order to help meet air quality regulations and to assist in recruiting some of the best computer programmers in the region. Consequently, most of Unisys' telecommuters are software engineers working in the software development department. These employees still have regular offices at the company, even though many telecommute up to three days per week.

How is the telecommuting program structured?

"We don't have to do a lot of maintenance on the telecommuting program at this point; employees know the parameters, we give managers telecommuting materials and telecommuters work with their managers when they want to be involved in our company's program," says Sue Reed, human resources associates business partner.

Unisys invested a great amount of planning into the initial development of its telecommuting program, which has led to the program's success over the last four years. At the onset of the program, managers and telecommuters went through an extensive training program. During this training and orientation process, many of the "bugs" were worked out, especially those regarding corporate policies and concerns about communication and security. Due to the demand from participants, initial training sessions were held four times a year.

Specific telecommuting policies are strictly enforced. These policies include: posting regular schedules; following a protocol for checking Voice Mail and electronic mail; retrieving messages while telecommuting; and for non-telecommuters, maintaining an office protocol for contacting telecommuters at home. Issues related to internal communications are discussed during departmental meetings.

UNISYS CORPORATION PASADENA, CALIFORNIA

- ❑ Program established: 1991
- ❑ Number of telecommuters: 90-100
- ❑ Primary benefits: key employees retained after closing facility

Unisys is unique.

One of the unique features about the Unisys program is the single point-of-contact approach to setting up new telecommuters. When employees sign up for the program, one call to the Unisys "help desk" gets them started with the connection from home to the mainframe. Technical staff assist employees with setting up modems, maintaining hardware and software and installing computer security programs.

CASE STUDY: UNISYS CORPORATION

What are the benefits?

The benefits derived from the company's telecommuting program are in the areas of productivity, morale and employee retention. A survey of managers and telecommuters indicates that telecommuters have maintained productivity levels and some have even improved productivity since the program began. "This program makes Unisys a place where people would want to work versus working somewhere else," says Reed.

Reed explained that employee retention is a primary bottom-line benefit brought to Unisys through its telecommuting program. This notion was tested when Unisys closed its Pasadena facility. One option for displaced Pasadena employees was to transfer to the Mission Viejo facility. As a result of Unisys' telecommuting program, many highly skilled programmers stayed with the company because they could forego the longer commute in favor of telecommuting up to three days each week.

Ron King, a computer programmer, is a testament to the success of Unisys' telecommuting program. King has been telecommuting two days a week for the last three years to eliminate the 120 mile drive to and from his main office. This has allowed him more time to spend with his family and accomplish work assignments, not to mention tremendous savings in automobile and fuel expenses. "I am happy not to have to travel on clogged freeways during rush hour, and having extra personal time is much appreciated," says King.

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SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

The New

Buzz

In Business

TRW is an international company that provides high-end technology products and services to automotive, space, defense and information industries world wide. TRW's Information Systems and Services Division, based in the City of Orange, is a leading provider of consumer and business credit, direct marketing and real estate information services. This west coast site employs approximately 920 employees.

Because company sales and marketing staff are heavily involved in direct customer contact, it is in TRW's best interest to minimize "office" time and maximize the quality and quantity of service provided to customers. The company sees telecommuting as an opportunity to accomplish this goal. In fact, TRW intends to create formalized, written telecommuting guidelines. However, according to Network Engineer Frank Short, telecommunications programmers and systems employees have been working from home on an informal, or as-needed basis, for the last 10 years.

The Telecommunications Department

In the Telecommunications Department, employees telecommute on a regular basis, usually one day per week. To bridge the communications gap between the home and office, the Department has installed a service that allows telecommuters complete access to the company's entire system of Local Area Networks. Prior to this service, telecommuters were limited to mainframe access only. Now, because telecommuters are connected internally, not only can they access the main corporate network to conduct national and international business, but they can also access external networks such as the Internet. With this external accessibility, employees can communicate via electronic mail with vendors or other business associates.

TRW

QUICK FACTS

- 1 Program established: 1989
- 2 Number of telecommuters: 30
- 3 Primary benefits: improved quality and quantity of customer service

Guidelines

Prior to telecommuting, managers and employees discuss departmental rules and agree on expectations while telecommuting. The following are some of the basic guidelines for the telecommuting program:

- 1) Employees are required to be available during core work hours;
- 2) An employee's home workspace must be a conducive environment for productive work;
- 3) TRW will reimburse the employee for the installation of an additional phone line; and
- 4) In most cases, personal computers and other equipment are purchased by the employee, however, TRW may elect to offset some of the costs associated with the equipment, depending on the circumstances.

CASE STUDY: TRW

What about information security?

Information security is a vital concern for the company. Telecommuters are required to go through several layers of security when they dial into the system. Once in the system, accounts or passwords are needed to go from one network to another. An internal security department continually monitors the system for any type of violation, and regularly "filters" all incoming calls. An Internet network "fire wall" is also in place for additional external system security.

How has the company benefited from telecommuting?

For large employers like TRW, telecommuting is an attractive work option. The South Coast Air Quality Management District (SCAQMD) regulates the amount of mobile and stationary emissions a large employer can produce. Telecommuting has been an effective way to cut emissions and keep employers like TRW in compliance. According to Janis Christensen, manager of fleet and employee transportation, "Telecommuting has contributed to the reduction of emissions produced by our employees."

However, air quality notwithstanding, the company is most pleased with the bottom-line benefits that telecommuting has brought to the Telecommunications Department. Providing a less stressful work environment enables an employee to better concentrate on major projects, which produces better service and higher quality results.

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Buzz

In Business

Movo Media is a small telecommunications/entertainment firm located in West Hollywood, California. Over the past year, the company has tripled in size and currently employs 30 people. To minimize overhead costs and to allow for flexibility in hiring new employees, the company has made telecommuting an integral part of its operations. In fact, as most employees are allowed to work from home on a full- or part-time basis, at any given time only three to four employees work from the main office.

How does the program work?

Movo Media has not established formal policies for telecommuting. In most cases, each employee negotiates a specific arrangement with his or her manager. "For now, we can handle these issues on an individual basis," explains Movo Media Executive Val Anderson. "However, as we grow, we will begin to adopt formal policies and procedures for telecommuting." Currently, Movo Media evaluates employee equipment needs on a case-by-case basis and reimburses employees for many direct expenses incurred while working from home.

Each employee has clearly defined responsibilities and must decide what work can be effectively performed from home or from the office.

"Employees know what has to get done each day and our systems require continual attention," reports Anderson. "It's like a crying baby, if an employee fails to maintain their system, everyone knows about it."

Movo Media Systems Operator Stephen Davis works from home approximately one-third of the time. "Because of the nature of our business, I may need to do work early in the morning or late in the evening. Working from home has allowed me to more effectively manage my schedule to meet both personal and professional needs."

Program Statistics

- 1. Program integral to operations
- 2. Number of telecommuters: 30
- 3. Annual cost savings: \$30,000
- 4. Key benefit: recruiting top employees

Corporate Benefits

Telecommuting has been an effective tool in recruiting key employees. Movo Media has one employee who lives in San Francisco and two who live in the eastern United States. These employees have expertise that is crucial to the company, but are not willing to relocate to the West Hollywood area. Instead, these employees work from their homes full-time and travel to the West Hollywood office once or twice a month as needed. As an information-driven company, it has been easy to use telecommuting to move the work to the worker, and, in this case, obtain much needed talent regardless of geographic boundaries.

CASE STUDY: MOVO MEDIA

Anderson sums up his program as "greatly successful" in meeting his bottom-line concerns.

"Our telecommuting policy has not only given the company the flexibility we need to grow, but it has also saved us over \$30,000 a year in overhead expenses."

For more information on telecommuting, contact the Southern California Telecommuting Partnership at:

1-800-6INFOHWY (800-646-3649)

Or visit us on the Internet at <http://www.sctp.org>



SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

The New

Bizz

In Business

IBM, a world leader in computer technology, uses telecommuting as a business strategy to enhance the quality and delivery of products and services provided to its customers. Nationwide, more than 20,000 IBM employees telecommute regularly.

Approximately 90 percent of IBM's telecommuters are sales and service staff who typically spend more than half of their time away from the office. The other 10 percent are administrative and management staff who telecommute one or two days a week, depending on their type of work and personal needs such as child care.

Sales and Service Telecommuters

IBM has established base offices where telecommuters receive their mail and hold meetings. These base offices typically consist of 8'x8' or 6'x6' cubicles that can be used by any employee needing space on a given day. When an employee is telecommuting, the telephone system is designed to forward calls to an employee's home or another location as necessary.

IBM has equipped each telecommuter with a ThinkPad® laptop computer and pager. Advanced technology, such as portable computers and electronic mail has contributed to a rapid expansion of IBM's telecommuting program.

Telecommuting managers are trained to measure employees by performance objectives. This allows telecommuters to set their own hours, improving accessibility to their customers.

Reactions to Telecommuting

Reactions to IBM's telecommuting program have been positive on all fronts. Employees report a great appreciation for the program, and managers have noticed a remarkable increase in employee productivity and in customer satisfaction. In addition, according to John Boudreaux, program manager media relations, technology such as electronic mail has actually contributed to increased communication between employees and their supervisors.

IBM U.S. - MIDWEST DIVISION QUICK TAKES

- Program established: 1993
- Reduced real estate: 55%
- Annual lease cost and maintenance savings: 60%

IBM U.S. - CHICAGO, IL QUICK TAKES

- Program established: 1994
- Reduced real estate: 75%
- Annual cost savings: \$11 million

IBM CANADA QUICK TAKES

- Program established: 1991
- Reduced real estate: 10%
- Annual cost savings: \$4.0 million

CASE STUDY: IBM

The Bottom Line

Boudreaux further explains that because of the scope and nature of IBM's telecommuting program, the company has realized "tens of millions of dollars" saved in real-estate costs.

Another benefit of IBM's telecommuting program is that it assists with disaster preparedness, according to Lee Dudley, external programs manager. More than 80 percent of IBM's Southern California employees telecommute at least one day per week. This level of participation will ensure business continuity in the event of an emergency.

IBM's highly successful program is a direct result of strong enthusiasm and support by management. With such support and the solid personal benefits telecommuting brings to employees, the program is a model for other sales and service-oriented companies.

For more information on telecommuting, contact the Southern California Telecommuting Partnership at:

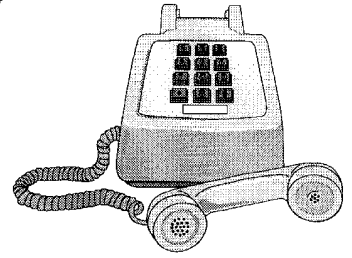
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SOUTHERN CALIFORNIA TELECOMMUTING PARTNERSHIP

Telecommuting: A Formula for Business Success



Southern California Implementation Manual

Business and organizations are changing and introducing telecommuting and other alternative office strategies. This manual assists organizations to research, put together a successful proposal, plan, and implement telecommuting programs. The manual covers:

- Learning more about telecommuting
- Setting up an in-house telecommuting program
- Writing policy documents
- Selecting telecommuters
- Evaluating your program
- Training your employees and supervisors

Included are telecommuting resources, sample policy documents, related forms—employee and supervisor screening questionnaires, before and after surveys, exercises, handouts—as well as ready to use scripted presentation overheads to introduce telecommuting. Questions? Call (213) 922-2811.

Manual Order Form

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